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# The Politics of Poverty Alleviation Strategies in India

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This paper is part of a series of outputs from the research project New Directions in Social Policy: Alternatives from and for the Global South.

The project examines the emergence, nature and effectiveness of recent developments in social policy in emerging economies and developing countries. The purpose is to understand whether these are fundamentally new approaches to social policy or welfare systems which could offer alternative solutions to the critical development challenges facing low- and middle-income countries in the twenty-first century. This research aims to shed light on the policy options and choices of emerging/developing countries; how economic, social, political and institutional arrangements can be designed to achieve better social outcomes given the challenges of the contemporary development context; how the values and norms of human rights, equity, sustainability and social justice can be operationalized through "new" social policies; and how experiences, knowledge and learning about innovative approaches can be shared among countries in the South. For further information on the project visit <u>www.unrisd.org/ndsp.</u> This project is funded by the Swedish International Development Cooperation Agency (Sida).

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#### Acronyms

MGNREGA	Mahatma Gandhi National Rural Employment Guarantee Act
MGNREGS	Mahatma Gandhi National Rural Employment Guarantee Scheme
NFSA	National Food Security Act
PDS	Public Distribution System
EGS	Employment Guarantee Scheme
TPDS	Targeted Public Distribution System
FCI	Food Corporation of India
SCs	Scheduled Castes
STs	Scheduled Tribes
OBC	Other Backward Class
MBC	Most Backward Class
PUCL	People's Union for Civil Liberties
GP	Gram Panchayat
BJP	Bharatiya Janata Party
UPA	United Progressive Alliance
NDA	National Democratic Alliance
FICCI	Federation of Indian Chambers of Commerce and Industry
FPS	Fair Price Shop
MKSS	Mazdoor Kisan Shakti Sangathan
RTI	Right to Information
NSSO	National Sample Survey Office
PoS	Point of Sale
TNCSC	Tamil Nadu Civil Supplies Corporation
BPL	Below Poverty Line
APL	Above Poverty Line
GDP	Gross Domestic Product
NAC	National Advisory Council

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# Summary

In 2004, following the election of the Congress-led United Progressive Alliance (UPA), India began to introduce a series of legally enforceable rights to expand the economic security and social opportunities of its citizens. The flagship initiative of the UPA was the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA); a program which sought to protect the livelihoods of the poor agricultural labourers during periods of distress, by granting adult members of every rural household the right to demand 100 days of unskilled work at stipulated minimum wages from the state, making it the largest work guarantee programme in the world. The second measure was the National Food Security Act (NFSA), an improvement of the pre-existing public distribution system (PDS), through which state governments offered subsidised food grains to the poor.

After establishing the historical antecedents of the MGNREGA and the PDS, this paper briefly reviews the politico-economic context of the emergence of these two initiatives in India. This includes the political and civil society imperatives that shaped the design and implementation of the schemes. Based on secondary data, the paper then examines the performance of the two programmes over time and across sub-national regions.

The paper offers some explanations for the trends observed and sub-national variations. Explanations are based on both existing literature and interviews with key informants in the bureaucracy, political elites and civil society activists in New Delhi, Tamil Nadu and Rajasthan. Women, Dalits and Adivasis, who generally constitute the poorest inhabitants of rural India, have disproportionately benefitted from the MGNREGA, weakening traditional relations of power. The provision of work has also helped lower rural poverty and distress migration while generating some productive assets. However, participation in MGNREGA never reached its guaranteed 100 days per year, and the number of person days worked as well as completion rates of commissioned projects have fallen. We point to the role of political interference and friction in bureaucratic processes, especially in poorer states, belying the rights-based character of the Act. Yet some poorer states perform relatively better due to favourable mediating institutions and actors, such as state-level political elites.

In relative contrast, purchases of basic food grains via the PDS by all households show an upward trend, post-2004. The problem of leakages continues in many regions; yet, some states increased public subsidies and universalised food entitlements, introduced pulses and edible oils into the basket of goods, and reformed the purchasing and delivery of food through better computerised displays of institutional performance. The findings stress the importance of institutions such as electoral democracy, judicial and civil society activism, social audits, and political parties in incentivising the implementation of these programmes.

In conclusion, the paper highlights the need for a more local-sensitive approach to policy design and greater political mobilisation of intended beneficiaries for rights-based welfare programmes to be effective in addressing social and economic insecurities of the poor.

Keywords: Judicial activism, civil society activism, political mobilisation over social protection, MGNREGA, NFSA, PDS, state capacity.

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